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August 28, 2008

Office of State Budget
1201 Main Street, Suite 870
Columbia, SC 29201

Attention: Karen Rhinehart

**Reference: South Carolina Area Health Education Consortium
H53 Fiscal Year 2009-2010 Budget Plan and Addendum**

The South Carolina Area Health Education Consortium (a.k.a. Consortium of Community Teaching Hospitals Agency H53) is not requesting any specific additional operating funds, capital funds, or FTEs for fiscal year 2009-2010. The reason no additional general funds are being requested is that the South Carolina AHEC does not believe it is prudent to request additional funding given the fiscal situation of our state and the likelihood that no additional funds will be available for distribution.

The fact that the South Carolina AHEC is not requesting additional funding does not imply there is no need. The South Carolina AHEC is an essential component of the healthcare safety net in our state. The South Carolina AHEC works closely with the state's institutions of higher education, community teaching hospitals, and many other partners to educate, recruit, and retain primary healthcare providers and other healthcare professionals. Disease prevention, health promotion, and chronic disease management receive particular attention in South Carolina AHEC-sponsored programs.

Our state is currently experiencing a shortage of numerous healthcare professionals (including physicians, nurses, pharmacists, and allied health professionals) and these shortages are projected to worsen in the coming years. The percentage of South Carolina residents with chronic health problems such as diabetes, hypertension, heart disease, and stroke is among the highest in the United States. These are all health conditions amenable to prevention, and the South Carolina AHEC programs are designed to increase the number and distribution of healthcare professionals addressing the healthcare needs in our state.

In the event that state revenue collections exceed expectations and additional funds are available for allocation in the coming fiscal year, the South Carolina AHEC requests that funds be allocated to the Commission on Higher Education (CHE) for distribution using the CHE approved parity funding methodology. The South Carolina AHEC has one of the lowest percentages of funding relative to the Mission Resource Requirement, and our efforts to recruit, retain, and educate healthcare providers would benefit greatly from additional higher education formula funding.

Gratefully yours,

Donald N. Tyner, MBA
Associate Program Director for Administration and Finance
South Carolina AHEC

DNT/mp

VI. ADDENDUM
ASSESSMENT OF ACTIVITIES

Section 59-123-115 H53 South Carolina Area Health Education Consortium (Consortium of Community Teaching Hospitals)

PRIORITY SUMMARY

TOP 5% PRIORITIES									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	N/A		805,690					805,690	0.00
2								0	
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
	TOTAL HIGHEST:		805,690	0	0	0	0	805,690	0.00

BOTTOM PRIORITIES: 5% PLUS BUDGET REQUESTS DOLLAR AMOUNT									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	N/A		805,690					805,690	0.00
2								0	
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
	TOTAL LOWEST:		805,690	0	0	0	0	805,690	0.00

DETAILS FOR LOWEST PRIORITIES

Activity Name:					Activity #:	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs						0.00
Personal Service						0
Employer Contributions						0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses						0
TOTAL LOWEST:	0	0	0	0	0	0

Reasoning for Lowest Priority Status:

N/A

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

South Carolina AHEC was established in 1972 to address the health care workforce needs of the state. From FY2002 to FY2009, South Carolina AHEC’s general fund appropriations were reduced by \$3,842,625 or 20%. As a result of these reductions, South Carolina AHEC initiated a strategic planning process during which the organization affirmed its commitment to mission essential initiatives. Significant needs continue to exist and projections indicate South Carolina will experience even greater shortages of health care providers in the future in the fields of medicine, dentistry, nursing, pharmacy and the allied health professions. All South Carolina AHEC programs remain mission essential and therefore are not prioritized.

Should a reduction in funding be required, South Carolina AHEC will apply the reduction in the least destructive fashion to the AHEC organization as a whole.

Activity Name:					Activity #:	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs						0.00
Personal Service						0
Employer Contributions						0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses						0
TOTAL LOWEST:	0	0	0	0	0	0

Reasoning for Lowest Priority Status:

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

For additional Low Priority Details, place cursor in this yellow box and press "Ctrl" + "p". (You must start in this yellow box; otherwise, the programmed formatting will be altered.)